"Fascism"—New Federal Rule Would Require Federal Funding Recipients To Deny Trans People Exist

The rule could have heavy impacts towards trans people across society.

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Last week, the Trump administration quietly released a sweeping new federal rule that would use funding threats to force institutions across the country to reject transgender people. The 400-page proposed regulation would codify the administration's anti-trans executive orders into binding federal policy, imposing a blanket prohibition on federal funds going toward "gender ideology"—with terms broad enough to encompass any acknowledgement that gender identity differs from sex assigned at birth or that transgender people even exist. If finalized, the rule would reach every hospital, university, school district, state government, nonprofit, and homeless shelter that receives federal funding, effectively requiring much of American institutional life to discriminate against transgender people as a condition of receiving federal money. And unlike an executive order, the rule would require significant work by a future administration to reverse.

The proposed rule, formally titled "Regulation for Federal Financial Assistance," rewrites the government-wide framework governing all federal grants across every agency. Among its most consequential provisions, it requires that before a federal grant recipient can receive money, the award must pass a "pre-issuance review" conducted by a political appointee—not a career expert or peer reviewer—to ensure it is "consistent with applicable law, Federal agency priorities, and the national interest." The regulation explicitly instructs these appointees to screen for "denial by the recipient of the sex binary in humans or the notion that sex is a chosen or mutable characteristic." The word "recipient" is doing critical work here: the review evaluates the organization, not just how the grant money will be spent. An institution that acknowledges transgender people exist—through its policies, its training, its healthcare, its bathroom access, its HR procedures, its name-change processes—could be deemed to "deny the sex binary" or to "support the notion that sex is mutable" and have its federal funding blocked. For grants that have already been issued, provisions also allow for the termination of funding.

The prohibition is vast. The rule bars federal awards from being used to "fund, promote, encourage, subsidize, or facilitate" gender ideology—and as mentioned before, because the screening evaluates the recipient as a whole, even indirect support could trigger enforcement. Since the rule was published, Erin in the Morning has been contacted by those worried about its impact on homeless shelters, which could be required to turn transgender people—any acknowledgement of a resident's gender identity could be grounds for a funding investigation. Colleges and universities, among the largest recipients of federal grants in the country, would face renewed federal pressure to enact bathroom bans, sports bans, and restrictions on name and gender marker changes—any institutional process that recognizes a gender identity different from sex assigned at birth could be deemed "gender ideology." Nonprofits and federally qualified health centers could be forced to stop acknowledging that transgender people exist entirely or serving their needs—a step some organizations briefly took during the chaos of the initial executive orders before pulling back when courts and advocates signaled they lacked enforceability. This rule is designed to give them enforceability.

Importantly, the gender ideology prohibition has no age limitation—hospitals could be targeted not just for providing care to minors but for providing gender-affirming care to adults, because prescribing hormone therapy to a transgender patient of any age could be deemed promoting the belief that "sex is a chosen or mutable characteristic." The Trump administration has already used funding threats and federal subpoenas to target hospitals providing gender-affirming care to transgender youth, a campaign that caused multiple institutions to suspend their programs even before any legal determination was made. The extraordinary broadness of the "gender ideology" definition—which covers not just care for minors but any endorsement of the idea that "sex is mutable"—would give the administration the regulatory infrastructure to expand that targeting to care for transgender adults if it so chose.

The rule was jointly proposed by 42 federal agencies—from the Department of Health and Human Services to the Department of Defense to the National Science Foundation to NASA—each of which signed the document through its senior leadership. Signatories include Robert F. Kennedy Jr. at HHS, Kelly Loeffler at the Small Business Administration, and Troy Edgar at the Department of Homeland Security. It is the broadest interagency rulemaking effort of the Trump administration, and it is designed to ensure that no single agency can opt out or slow-walk implementation.

The Human Rights Campaign, the nation's largest LGBTQ+ rights organization, came out fiercely against the rule, calling it "fascism." In a statement, the organization said: "Today, the Trump administration proposed a rule that would strip government money from any program that acknowledges diversity, abortion, or even the existence of transgender and nonbinary people. Withholding public grants from programs that depend on them because you refuse to acknowledge the humanity of certain communities is not good government. It's fascism. HRC and our millions of members, supporters, and allies will fight back."

The gender ideology funding prohibition is not the only provision targeting transgender or LGBTQ+ people. A separate section prohibits any federal funding for "the so-called 'transition' of a child under 19 years of age from one sex to another, including the chemical and surgical mutilation of children." The rule also explicitly strips Bostock v. Clayton County, the landmark 2020 Supreme Court decision holding that sex discrimination includes discrimination based on gender identity, from the federal grants framework entirely. The preamble states that the prior administration's reading of *Bostock* is "no longer consistent with Administration policy" and replaces it with reasoning drawn from United States v. Skrmetti, the 2025 decision upholding Tennessee's ban on gender-affirming care for minors, to argue that none of these provisions constitute sex discrimination because they "apply equally to all."

The administration has tried to strip federal funding from organizations that support transgender people before, leading to a string of court losses. But those losses have not prevented organizations from overcomplying out of fear. The National Center for Missing and Exploited Children, the country's primary nonprofit fighting child sexual exploitation, erased all references to transgender people from its public materials after the Department of Justice threatened to pull its funding—and was told to deadname transgender children in its missing persons reports, meaning a missing trans girl would be listed under her birth name and identified as male, actively making her harder to find. RAINN, the nation's largest anti-sexual-violence organization, removed its inclusion policy and all pages expressing support for LGBTQ+ survivors of sexual violence—a population that faces disproportionately high rates of assault. And using similar threats, more than 40 hospitals have stopped providing gender-affirming care to transgender youth, suspending programs even in states where the care remains legal. This latest effort to formalize the policy into binding federal regulation is designed to insulate it from such court challenges, and we could see an entirely new round of even broader overcompliance as a result.

Nevertheless, court challenges are almost certainly coming, and the rule has a substantial likelihood of being blocked for at least a short amount of time. That said, the Supreme Court has greenlit virtually every policy targeting transgender people to come across its docket, and this rule could be the next one that rockets its way to the top. The public comment period closes July 13, 2026. Concerned readers can submit comments on the public comment page for the rule.

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Brooklyn Ricky 1d

Yeah, for those who forget (or never learned) history, here's a refresher:

During the American Civil War, somewhere between 400 and 750 individuals assigned female at birth chose to present and live as masculine souls on the battlefield. While some did so to gain personal independence or stay close to loved ones, historians recognize that many of these soldiers were simply stepping into their true identity, seizing a rare chance to fight for their country and live authentically.

Notable Soldiers on the Front Lines

Private Albert Cashier (born Jennie Hodgers): Born in Ireland, Cashier enlisted in the Union Army's 95th Illinois Infantry in 1862 and bravely fought in more than 40 battles. What truly sets Cashier apart is his lifelong commitment to his identity: he lived completely as a masculine soul for over 50 years after the war, working as a farmhand until his biological sex was discovered late in life.

Frank Thompson (born Sarah Emma Edmonds): Long before the conflict began, Edmonds walked through the world presenting as a masculine soul. Enlisting in the 2nd Michigan Infantry under the name Frank Thompson, he served with distinction as a field nurse, a spy, and a dispatch bearer before a severe bout of malaria forced a quiet departure from the military.

Malinda Blalock (served as "Samuel Blalock"): Driven by devotion, Malinda adopted masculine attire and the name Samuel Blalock to enlist in the 26th North Carolina Infantry alongside her husband, Keith. She successfully navigated the rigid military environment until a medical examination revealed her biological identity, prompting a quick exit so the couple could seek safety elsewhere.

Post-War Life and Legacy

Belated Discoveries: For many of these veterans, their biological sex only came to light decades after the final bugle call, often due to combat injuries, medical treatments in old age, or the onset of dementia.

Unwavering Comradeship: True bonds transcended social constructs. When Albert Cashier's biological sex was eventually revealed, his former comrades-in-arms immediately rallied around him. They actively protected his military pension and fought back against institutional pressures that attempted to force him into women's clothing.

Final Honors: In death, their chosen paths were honored. Many of these brave individuals were ultimately laid to rest with full military honors under their chosen masculine names.

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2 replies

Talia Perkins 1d

No idea how this SCOTUS will rule, but that is obviously a 1st amendment violation.

An open conspiracy is still a conspiracy. Those engineering, funding, and carrying out the propaganda campaign and enacting the laws and policies against transgender people must face 42 U.S.C. § 1983, 18 U.S.C. § 241, & 18 U.S.C. § 242 prosecution.

You cannot give or implement such an order without being guilty in some way.

Thank you, Erin.

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